

Cadder Housing Association Ltd

31 March 2016

This Regulation Plan sets out the engagement we will have with Cadder Housing Association Ltd (Cadder) during the financial year 2016/17. Our regulatory framework explains more about our assessments and the purpose of this Regulation Plan.

Regulatory profile

Cadder was registered as a social landlord in 1993. It owns and manages 648 homes and provides factoring services to a further 401 owners in the north of Glasgow. It is a charitable organisation and employs 42 people including its direct labour workforce and employability initiative. It also supports long-term unemployed people by providing opportunities for work experience and training placements. Its turnover for the year ended 31 March 2015 was just over £2.9 million.

Cadder will shortly complete the building of a new community centre and is refurbishing the old community centre to relocate its office.

Cadder has plans to develop a number of homes for social rent and will receive public subsidy to help fund this. Cadder will seek additional private finance during 2016 to support its continued new build programme.

We have reviewed Cadder's financial information and will continue to engage with it in order to gain further assurance over the long term financial position.

Our engagement with Cadder Housing Association Ltd – Medium

We will have medium engagement with Cadder in 2016/17 to gain further assurance about its financial planning and delivery and operation of the new community centre.

1. Cadder will send us by 30 June 2016:
 - its approved business plans including commentary on the results of its sensitivity analysis and risk mitigation strategies;
 - 30 year financial projections consisting of statements of comprehensive income, of financial position and cash flow, including a comparison of projected loan covenants against covenant requirements;
 - sensitivity analysis which considers the keys risks including covenant compliance;
 - its reports to the Board in respect of the 30 year projections and sensitivity analysis; and
 - evidence of how it demonstrates affordability for its tenants.
2. Cadder will send us within two months of each financial quarter end management accounts and supporting narrative. This should include a detailed breakdown of the financial performance of the community centre.

3. Cadder will send us an update on its development projects, including funding plans, timescales, completions and any material delay or changes, by 31 October 2016.
4. We will provide feedback on the business plan and financial projections by the end of August 2016.
5. Cadder should alert us to notifiable events and seek our consent as appropriate. It should provide us with the annual regulatory returns we review for all RSLs:
 - audited financial statements and external auditor's management letter;
 - loan portfolio return;
 - five year financial projections; and
 - Annual Return on the Charter.

This plan will be kept under review and may be changed to reflect particular or new events. The engagement strategy set out in this plan does not restrict us from using any other form of regulatory engagement to seek additional assurance should the need arise. Our regulatory framework and other relevant statistical and performance information can be found on our website at www.scottishhousingregulator.gov.uk.

Our lead officer for Cadder Housing Association Ltd is:

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We have decided what type of engagement we need to have with this organisation based on information it provided to us. We rely on the information given to us to be accurate and complete, but we do not accept liability if it is not. And we do not accept liability for actions arising from a third party's use of the information or views contained in the Regulation Plan.